

14766  
RECORDATION NO. \_\_\_\_\_ Filed 1425

**ITEL**

AUG 7 1985 - 10 50 AM

INTERSTATE COMMERCE COMMISSION

**Itel Rail Corporation**

55 Francisco Street  
San Francisco, California 94133  
(415) 984-4000

July 25, 1985

Honorable James H. Bayne, Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Bayne:

No.

5-219A020

Date

AUG 7 1985

Fee \$

20.00

ICC Washington, D. C.

On behalf of Itel Rail Corporation, I submit for filing and recording, under 49 U.S.C. §11303(a) and the regulations promulgated thereunder, the enclosed four executed counterparts of the following document:

Lease Agreement dated May 1, 1985 between Itel Rail Corporation and Burlington Northern Railroad Company.

Please cross-index this Lease to the Consolidated, Amended and Restated Equipment Trust Agreement dated as of January 1, 1982 among Itel Corporation, Itel Rail Corporation and First Security Bank of Utah, N.A., which was recorded with the I.C.C. on September 20, 1983 under I.C.C. Recordation No. 14165. *Cross index to this*

The names and addresses of the parties to the aforementioned are

1. Itel Rail Corporation (Lessor)  
55 Francisco Street  
San Francisco, California 94133
2. Burlington Northern Railroad Company (Lessee)  
777 Main Street  
Fort Worth, Texas 76102

ICC OFFICE OF  
THE SECRETARY  
AUG 7 10 43 AM '85  
MOTOR OPERATING UNIT

The equipment covered by this Lease is one hundred (100) 100-ton, Plate E, end-of-car cushioning boxcars bearing reporting marks BN 377300-377399.

Enclosed is a check for \$20.00 to cover the required filing fees and cross-indexing fees for the Lease.

Once the filing has been made, please return to the bearer of this document the stamped counterpart of the documents not required for filing purposes, together with the receipt, and the letter from the I.C.C. acknowledging the filings.

Very truly yours,

*Denise M. Bottarini*

Denise M. Bottarini  
Senior Legal Assistant

DMB/csh

Enclosures

cc: Howard Chabner  
Robert Clark  
Virginia Hanger  
J. Michael Kelly

*This one is a new member*  
*Edward D. Bayne*  
*C. Ann Lyndon*

Interstate Commerce Commission  
Washington, D.C. 20423

8/7/85

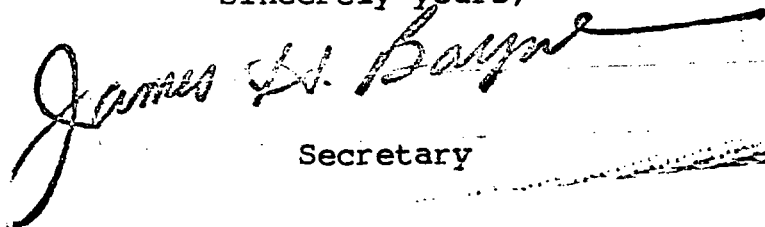
OFFICE OF THE SECRETARY

Denise M. Bottarini  
Senior Legal Assistant  
Itel Rail Corp.  
55 Francisco  
San Francisco, Calif. 94133

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/7/85 at 10:50am and assigned re-recording number(s). 14766

Sincerely yours,

  
Secretary

Enclosure(s)

AUG 7 1985 10 50 AM

05/02/85

ASSIGNED TO FIRST SECURITY BANK  
OF UTAH, N.A., TRUSTEE, UNDER  
A LEASE ASSIGNMENT DATED  
AS OF July 23, 1985

INTERSTATE COMMERCE COMMISSION

LESSOR'S INTEREST ASSIGNED TO  
FIRST SECURITY BANK OF  
UTAH, N.A., WITH RESPECT TO  
CARS NUMBERED BN 377300-377399

BOXCAR LEASE

THIS LEASE AGREEMENT (the "Agreement") made as of the 1st day of May, 1985, between ITEL RAIL CORPORATION, a Delaware corporation, 55 Francisco Street, San Francisco, California, 94133, as the lessor ("Lessor") and BURLINGTON NORTHERN RAILROAD COMPANY, a Delaware corporation, Continental Plaza, 777 Main Street, Fort Worth, Texas, 76102, as the lessee ("Lessee").

**1. Scope of Lease**

- A. Lessor agrees to lease to Lessee, and Lessee agrees to lease from the Lessor upon the terms and conditions set forth herein, a number of items of equipment of the number, type and other description set forth in any equipment schedules executed by the parties concurrently herewith or hereafter and made a part of this Agreement. The word "Schedule" as used herein includes the Schedule or Schedules executed herewith and any additional Schedules and amendments thereto, each of which when signed by both parties shall be a part of this Agreement. The scheduled items of equipment are hereinafter called collectively the "Cars" and individually a "Car".
- B. It is the intent of the parties to this Agreement that Lessor shall at all times be and remain the lessor of all Cars. Lessee agrees that it will at no time take any action or file any document which is inconsistent with the foregoing intent and will take such action and execute such documents as may be necessary to accomplish this intent.
- C. This Agreement and every provision thereof is for the exclusive benefit of the parties hereto and not for the benefit of any other party. Nothing herein contained shall be taken as creating or increasing any right in any other person to recover by way of damages or otherwise against either of the parties hereto. Nothing in this Section 1.C. shall be deemed to limit the rights of any owner or secured party under any financing agreement as referred to in Section 7.A. hereof. If or to the extent that this Section 1.C. and Section 7.A. are inconsistent, Section 7.A. shall prevail.

**2. Term**

This Agreement shall remain in full force until it is terminated as to all of the Cars as provided herein. The term of the Agreement with respect to each Car described on each Schedule shall commence at 12:01 p.m. on the date and at the location that such Car is remarked pursuant

to Section 3, and shall expire as to all of the Cars described on each Schedule, three (3) years from the date on which the first Car on such Schedule was remarked (the "Term").

3. Supply Provisions

Lessee hereby approves the specifications of the Cars delivered to it by Lessor. Lessor shall, at Lessee's expense, remark the Cars with the railroad markings of Lessee ("Initial Remark") in compliance with all applicable regulations. Any costs associated with the Initial Remark in excess of one hundred twenty-five dollars (\$125) per Car shall be for Lessor's account. Each Car shall be deemed delivered and subject to the terms and provisions of this Agreement at 12:01 p.m. on the date and at the location such Car is remarked ("Delivery"). After the Cars have been remarked, the Cars shall be moved to Lessee's railroad line at no cost to Lessee as soon as is consistent with mutual convenience and economy. Lessor warrants that, upon Delivery, each Car shall meet or exceed specifications for interchange service as defined in the Association of American Railroads ("AAR") Field Manual and shall be in acceptable condition for Class A boxcar loading. Notwithstanding that Lessee may not have immediate physical possession of the Cars leased hereunder, Lessee agrees to pay the Fixed Rent set forth in this Agreement.

4. Record Keeping

- A. Lessee shall, at its expense, prepare and file, with respect to the Cars, all documents relating to the registration, maintenance and record keeping functions normally performed by a railroad with respect to railroad equipment of the type subject to this Agreement. Such matters shall include, but are not limited to: (i) preparation of appropriate AAR interchange agreements with respect to the Cars; (ii) registration of the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register ("UMLER"); and (iii) preparation of any reports that may be required from time to time by the ICC and any other regulatory agencies with respect to the Cars.
- B. Lessee shall perform all record keeping functions relating to the use of the Cars, including but not limited to, car hire reconciliation, collection and receipt of revenues from other railroad companies, maintenance and repair, and billing in accordance with the AAR Interchange Rules ("Interchange Rules"). All records shall be separately recorded and maintained by Lessee in a form suitable for reasonable inspection by Lessor from time to time during Lessee's regular business hours. Lessee shall, on a monthly basis and within thirty (30) days after the end of the month in which activity occurred, supply Lessor with copies of Lessee's interchange records relating to the Cars. Lessee shall supply Lessor with copies of such other records as Lessor may reasonably request. Lessee hereby authorizes Lessor to subscribe to the Train 71, Train 80 and Train 86 Advices for the Cars.

5. Maintenance, Tax and Insurance

- A. Except as otherwise provided herein, Lessee shall, at its sole expense, perform or have performed all inspections of, maintenance and repairs to, and servicing of the Cars as shall be necessary to maintain the Cars in good operating condition as specified in the Interchange Rules. Lessor has the right to inspect the Cars at any time during the Term to ensure that they are in compliance with AAR regulations. Lessee shall, at its expense, inspect all Cars interchanged to it to insure that such Cars are in good working order and condition and Lessee shall be liable for any repairs required for damage not noted at the time of interchange. Lessee shall use its best efforts to minimize any damages to the Cars which may be caused by any shipper on Lessee's railroad line.
- B. Lessee shall also make, at its expense, all alterations, modifications or replacement of parts as shall be necessary to maintain the Cars in good operating condition. Lessee shall submit to Lessor a quarterly report in complete AAR format for all repairs reported with respect to the Cars during the previous quarter. Upon the termination or expiration of the Agreement, Lessee shall guarantee that each Car shall meet or exceed specifications for interchange service as defined in the AAR Field Manual and shall be in acceptable condition for Class A boxcar loading.
- C. As long as this Agreement shall remain in effect, Lessee shall be responsible for the Cars: (i) while in Lessee's possession or control; and (ii) in the same manner that Lessee is responsible under the Interchange Rules for similar equipment not owned by Lessee. Lessee shall, at all times while this Agreement is in effect, self-insure the Cars against property damage and public liability to the extent such self-insurance is consistent with prudent industry practice.
- D. Lessee assumes responsibility for and agrees to pay, protect, save, keep harmless and indemnify Lessor and its successors against taxes, fees, levies, impost, duties or withholdings of any nature together with penalties, fines or interest thereon imposed on, incurred by or asserted against: (1) the Cars; (2) sale, lease, sublease or delivery of the Cars; (3) revenues earned by the Cars, including but not limited to mileage charges and/or car-hire revenues, during the terms of this Agreement, except for taxes imposed on Lessor's income.

6. Lease Rental

- A.

B.

- C. In the event damage beyond repair or destruction of a Car has been reported in accordance with Rule 107 of the AAR Field Manual of the Interchange Rules and Rules 7 and 8 of the AAR Code of Car Hire Rules and Interpretations-Freight, said destroyed Car will be removed from the rental calculations of this Agreement on the date car hire ceased as set forth in the aforementioned Rules 7 and 8. Lessor may, at its expense, replace any destroyed Car with similar equipment upon prior written notice from Lessor to Lessee. If any Car, while in the possession of Lessee, is damaged to the extent that such damage exceeds the AAR Depreciated Value ("DV") for such Car, Lessee shall notify Lessor within sixty (60) days following the date of the occurrence of such damage ("Damage Date"). If Lessee fails to notify Lessor within sixty (60) days of the Damage Date, Lessor reserves the right to engage an independent appraiser to inspect such Car to determine the extent of such damage. Lessee shall remit to Lessor an amount equal to the DV of such Car within thirty (30) days of receipt of an invoice from Lessor.

7. Possession and Use

- A. So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession, use and quiet enjoyment of the Cars in accordance with the terms of this Agreement and in the manner and to the extent the Cars are customarily used in the railroad freight business as set forth in Subsection 7.8. However, Lessee's rights shall be subject and subordinate to the rights of any owner or secured party under any financing agreement entered into by Lessor in connection with the acquisition of the Cars which are the subject of this Agreement. Accordingly, following notice to Lessee from any such secured party or owner that an event of default has occurred at any time (including at a time prior to the effective date of this Agreement), and is continuing under such financing agreement, such party may require either or both that rentals and other sums due hereunder shall be paid directly to such party, and that the Cars immediately be returned to such party. Lessee agrees that to the extent it has physical possession and can control use of the Cars, the Cars shall at all times be used and operated under and in compliance with the laws of the jurisdiction in which the same are operated and in which the same may be located and in compliance with all lawful acts, rules and regulations and orders of any governmental bodies or officers having power to regulate or supervise the use of such property, except that either Lessor or Lessee may in good faith and by appropriate proceedings, contest the application of any such act, rule, regulation or order in any reasonable manner at the expense of the contesting party.

- B. The use of the Cars shall be limited to use by a rail common carrier, but such use may be in common contract or exempt transportation, and the Cars shall always bear the reporting marks of Lessee. During the term of this Agreement, the Cars shall at all times be registered in the Official Railway Equipment Register and the UMLER.
- C. Except as provided herein, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or other security interest or claim arising through it, on, or with respect to the Cars, or any interest therein, or in this Agreement or Schedule thereto. Lessee will promptly, at its expense, take such action as may be necessary to duly discharge any such mortgage, pledge, lien, charge, encumbrance, security interest, or claim if the same shall arise at any time.

## 8. Default

- A. The occurrence of any of the following events shall be an event of default:
  - (i) The nonpayment by Lessee of any sum required herein to be paid by Lessee within ten (10) days after the date on which Lessee receives notification from Lessor that such payment is due;
  - (ii) The breach by Lessee/Lessor of any other material term, covenant, or condition of this Agreement, which is not cured within ten (10) days after Lessee/Lessor receives notice of such event from the other party;
  - (iii) The filing by or against the Lessee/Lessor of any petition or the initiation by or against the other party of any proceeding: (a) for any relief which includes, or might result in, any modification of the obligations of the other party hereunder; or (b) under any bankruptcy, reorganization, insolvency, moratorium or other laws relating to the relief of debtors, the readjustment of indebtedness, financial reorganization, arrangements with creditors, compositions of indebtedness, or extensions of indebtedness;
  - (iv) The subjection of any of Lessee's property to any levy, seizure, assignment, application or sale for or by any creditor or governmental agency which would impair the use of the Cars.
- B. Upon the occurrence of any event of default hereunder, without limiting Lessor's rights and remedies otherwise provided by law which shall be available to Lessor in addition to the following rights and remedies (no right or remedy of Lessor being exclusive but all such rights and remedies being available at all times to Lessor and Lessor in any case being entitled to recover all costs, expenses and attorneys' fees incurred by Lessor in enforcing its rights and remedies hereunder), Lessor may, at its option, terminate this Agreement and/or may:

- (i) Proceed by any lawful means to enforce performance by Lessee of this Agreement or to recover damages for a breach hereof, and/or
  - (ii) By notice in writing to Lessee, terminate Lessee's right of possession and use of the Cars, whereupon all right and interest of Lessee in the Cars shall terminate; and thereupon Lessor may enter upon any premises where the Cars may be located and take possession of the Cars and henceforth hold, possess and enjoy the same free from any right of Lessee. Lessor shall, in addition, have the right to recover from Lessee any and all rental amounts which under the terms of this Agreement may then be due or which may have accrued to that date, together with Lessor's costs and expenses, including reasonable attorneys' fees incurred in securing such enforcement hereof.
- C. Upon the occurrence of any event of default hereunder by Lessor, without limiting Lessee's rights and remedies otherwise provided by law and which shall be available to Lessee in addition to the following rights and remedies (no right or remedy of Lessee being exclusive but all such rights and remedies being available at all times to Lessee and Lessee in any case being entitled to recover all costs, expenses and attorneys' fees incurred by Lessee in enforcing its rights and remedies hereunder), Lessee may, at its option, terminate this Agreement and/or may proceed by any lawful means to enforce performance by Lessor of this Agreement or to recover damages for a breach hereof.

## 9. Expiration or Early Termination

### A. Expiration

Upon the expiration hereof, Lessee shall promptly return the Cars to Lessor as follows:

- (i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving the Cars to the Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car which is either on the Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from either the date of expiration or the date the last Car on such Schedule is returned to Lessee's railroad line subsequent to the time of expiration, whichever date is later. At the option of Lessor, either Lessee or a contractor chosen by Lessor shall, at Lessor's expense, remark the Cars as set forth in Subsection 9.C. of this Agreement. Prior to remarking, Lessee shall, at its expense and at Lessor's option, remove any company logos and any other markings which were placed



on any Car by Lessee after initial Delivery of such Car. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall deliver each Car to an interchange point on Lessee's railroad lines to be determined by Lessor not less than thirty (30) days in advance.

**B. Early Termination**

Upon the early termination pursuant to Section 8 hereof, Lessee shall promptly return the Cars to Lessor as follows:

- (i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving the Cars to the Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car which is either on the Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad, up to one hundred twenty (120) days free storage on its railroad tracks from either the date of expiration or the date the last Car on such Schedule is returned to Lessee's railroad line subsequent to the time of expiration, whichever date is later. At the option of Lessor, either Lessor or a contractor chosen by Lessor shall, at Lessee's expense, remark the Cars as set forth in Subsection 9.C. of this Agreement. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall deliver each Car to an interchange point on Lessee's railroad lines to be determined by Lessor not less than thirty (30) days in advance.

- C. Remarking, with respect to each Car, shall include the following: (i) removal of existing mandatory markings of Lessee; (ii) complete cleaning subsequent to the removal of markings as designated by Lessor; (iii) application of new mandatory markings; and (iv) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.

- D. Each Car returned to Lessor pursuant to this Section shall be inspected by representatives of both Lessor and Lessee prior to the remark of such Car to ensure that the Car is in similar condition as when Lessee received the Car, normal wear and tear excepted. Lessee shall be responsible for any repairs required to enable each Car to meet the requirements set forth in this Subsection and the requirements for good operating condition as specified in the Interchange Rules.

**10. Indemnities**

- A. LESSEE SHALL DEFEND, INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY LOSS, DAMAGE, DESTRUCTION OR LIABILITY WITH RESPECT TO

THE CARS WHICH IS OCCASIONED BY THE FAULT OF LESSEE, OR WHICH OCCURS WHILE THE CARS ARE IN LESSEE'S POSSESSION OR CONTROL (EXCEPT SUCH DAMAGE TO THE CARS ARISING OUT OF ANY CIVIL INSURRECTION, RIOT, EARTHQUAKE OR ACT OF THE PUBLIC ENEMY), AND IN THOSE INSTANCES IN WHICH THE INTERCHANGE RULES WOULD ASSIGN RESPONSIBILITY FOR SUCH LOSS, DAMAGE, DESTRUCTION, OR LIABILITY TO LESSEE AS HANDLING CARRIER.

- B. SUBJECT TO SUBSECTION 10.A., AND EXCEPT FOR THOSE CLAIMS, CAUSES OF ACTION, DAMAGES, LIABILITIES, COSTS OR EXPENSES FOR WHICH LESSEE SHALL BE RESPONSIBLE AS SET FORTH HEREIN, LESSOR WILL DEFEND, INDEMNIFY AND HOLD LESSEE HARMLESS AGAINST ANY AND ALL LOSS, DAMAGE OR DESTRUCTION OF OR TO THE CARS, USUAL WEAR AND TEAR EXCEPTED, AND ANY CLAIM, CAUSE OF ACTION, DAMAGE, LIABILITY, COST OR EXPENSE WHICH MAY BE ASSERTED AGAINST LESSEE WITH RESPECT TO THE CARS (INCLUDING ANY APPLIANCES OR APPURTENANCES THERETO), INCLUDING, WITHOUT LIMITATION, THE LEASING OR RETURN OF THE CARS, USE, MAINTENANCE, REPAIR, REPLACEMENT OR OPERATION OF THE CARS OR THE CONDITION OF THE CARS (WHETHER DEFECTS, IF ANY, ARE LATENT OR ARE DISCOVERABLE BY LESSOR OR LESSEE).

#### **11. Representations, Warranties, and Covenants**

Lessee represents, warrants and covenants that:

- A. Lessee is a corporation duly organized, validly existing and in good standing under the laws of the state where it is incorporated and has the corporate power, authority and, insofar as is material to Lessor's rights under this Agreement, is duly qualified and authorized to do business wherever necessary, to carry out its present business and operations and to own or hold under lease its properties and to perform its obligations under this Agreement.
- B. The entering into and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee, or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of Lessee or on the Cars pursuant to any instrument to which Lessee is a party or by which it or its assets may be bound.
- C. There is no action or proceeding pending or threatened against Lessee before any court or administrative agency or other governmental body which might result in any material adverse effect on the business, properties and assets, or conditions, financial or otherwise, of Lessee such that Lessee's ability to perform its obligations hereunder would be materially and adversely affected.
- D. There is no fact which Lessee has not disclosed to Lessor in writing, nor is Lessee a party to any agreement or instrument or subject to any charter or other corporate restriction which, so far as the Lessee can now reasonably foresee, will individually or

in the aggregate materially adversely affect the business, condition or any material portion of the properties of the Lessee or the ability of the Lessee to perform its obligation under this Agreement.

**12. Inspection**

Lessor shall at any time during normal business hours have the right to enter the premises where the Cars may be located for the purpose of inspecting and examining the Cars to insure Lessee's compliance with its obligations hereunder.

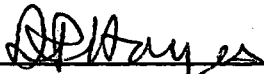
**13. Miscellaneous**

- A. This Agreement and the Schedules contemplated hereby shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Lessee may not without the prior written consent of Lessor, assign this Agreement or any of its rights hereunder or sublease any Cars to any party, and any purported assignment or sublease in violation hereof shall be void.
- B. Both parties agree to execute the documents contemplated by this transaction and such other documents as may be required in furtherance of any financing agreement entered into by Lessor or its assignees in connection with the acquisition or financing or use of the Cars in order to confirm the financing parties' interest in and to the Cars, this Agreement and Schedules hereto and to confirm the subordination provisions contained in Section 7 of this Agreement.
- C. It is expressly understood and agreed by the parties hereto that this Agreement constitutes a lease of the Cars only and no joint sale or venture or partnership is being created. Notwithstanding the calculation of rental payments, nothing herein shall be construed as conveying to Lessee any right, title or interest in the Cars, except as a Lessee only.
- D. No failure or delay by either party shall constitute a waiver or otherwise affect or impair any right, power or remedy available to such party nor shall any waiver or indulgence by either party or any partial or single exercise of any right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.
- E. This Agreement shall be governed by and construed according to the laws of the State of California.
- F. Lessee shall notify Lessor as soon as is practicable of any accident connected with the malfunctioning or operation of the Cars, including in such report, where available, the time, place and nature of the accident and the damage caused.

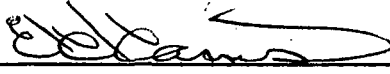
- G. Lessee shall also notify Lessor in writing within five (5) days after any attachment, tax lien or other judicial process shall attach to any Car. Lessee shall furnish to Lessor promptly upon its becoming available, a copy of its annual report submitted to the ICC and, when requested, copies of any other income or balance sheet statements required to be submitted to the ICC.
- H. All notices hereunder shall be in writing and shall be deemed given when delivered personally or when deposited in the United States mail, postage prepaid, certified or registered, addressed to the president of the other party at the address set forth herein.
- I. The obligations and liabilities of Lessor and Lessee hereunder shall survive the expiration or early termination of this Agreement.
- J. This Agreement represents the entire Agreement. This Agreement shall not be modified, altered, or amended, except by an agreement in writing signed by the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ITEL RAIL CORPORATION

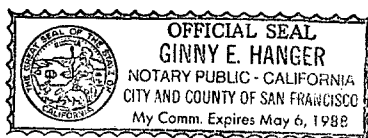
By:   
Title: President  
Date: 7/23/85

BURLINGTON NORTHERN RAILROAD COMPANY

By:   
Title: Vice Pres. Transp'n.  
Date: 5-16-85

STATE OF CALIFORNIA     )  
                                      ) ss:  
COUNTY OF SAN FRANCISCO )

On this 23rd day of July, 1985, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of IteI Rail Corporation, that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Ginny E. Hanger  
Notary Public

STATE OF KANSAS     )  
                                      ) ss:  
COUNTY OF JOHNSON )

On this 16th day of MAY, 1985, before me personally appeared E.H. HARRISON, to me personally known, who being by me duly sworn says that such person is VICE PRESIDENT TRANSPORTATION of Burlington Northern Railroad Company, that the foregoing Agreement was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Catherine B. McDee  
Notary Public

EQUIPMENT SCHEDULE NO. 1

Itel Rail Corporation hereby leases the following Cars to Burlington Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of January 21, 1985.

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XP	100-Ton Plate E Boxcar, end-of- car-cushioning	BN 377300- 377399	60'10"	9'6"	11'4" or 11'5"	10' Sliding	100

ITEL RAIL CORPORATION

By: DP Hayes

Title: President

Date: 7/23/85

BURLINGTON NORTHERN RAILROAD COMPANY

By: E. J. [Signature]

Title: Vice Pres. Transp'n.

Date: 5-16-85

STATE OF CALIFORNIA )  
 ) ss:  
COUNTY OF SAN FRANCISCO )

On this 23rd day of July, 1985, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Equipment Schedule No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Benny E. Hanger  
Notary Public

STATE OF Kansas )  
 ) ss:  
COUNTY OF Johnson )

On this 16th day of May, 1985, before me personally appeared E. N. Harrison, to me personally known, who being by me duly sworn says that such person is Vice President Transportation of Burlington Northern Railroad Company, that the foregoing Equipment Schedule No. 1 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Catherine S. McLee  
Notary Public